

West Texas Gas, Inc.: First Revised Volume No. 1
Title Page : Effective

F.E.R.C. GAS TARIFF
FIRST REVISED VOLUME NO. 1
SUPERSEDING
ORIGINAL VOLUME NO. 1
OF

WEST TEXAS GAS, INC.

FILED WITH THE
FEDERAL ENERGY REGULATORY COMMISSION

COMMUNICATIONS CONCERNING THIS TARIFF
SHOULD BE ADDRESSED TO:

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First Revised Sheet No. 1 First Revised Sheet No. 1 : Effective
Superseding: Original Sheet No. 1

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Sub. Second Revised Sheet No. 2 Sub. Second Revised Sheet No. 2 : Effective
Superseding: First Revised Sheet No. 2

PRELIMINARY STATEMENT

West Texas Gas, Inc. (Seller) is a natural gas company engaged in the business of purchasing, transporting, and distributing natural gas in the States of New Mexico, Oklahoma, and Texas. As successor to Peoples Natural Gas Company, Division of Internorth, Inc., West Texas Gas, Inc. makes sales of gas under this Tariff for resale in Oklahoma and New Mexico from the Bivins-Clayton Transmission facilities, also known as its "Dalhart" system.

Effective Date: 03/29/1992 Status: Effective
FERC Docket: RP92-135-000

Original Sheet No. 3 Original Sheet No. 3 : Effective

MAP

Effective Date: 10/01/2009 Status: Effective
 FERC Docket: RP09-977-000

Twenty-Seventh Revised Sheet No. 4 Twenty-Seventh Revised Sheet No. 4
 Superseding: Sub. Twenty-Sixth Revised Sheet No. 4

WEST TEXAS GAS, INC.
 Statement of Maximum Effective Rates
 (Rate per dth)

Rate Schedule	Spot Price Index	Fuel & Loss Retention Factor	Total Gas Cost Rate	Non-Gas Cost Rate	Surcharge 3/	Total Rate	New Mexico Rate	
							Gross Rec. Tax	Total Rate
FS-1	1/	4.04%	2/	\$0.3020	\$0.0019	4/	5.25%	5/
IS-1	1/	4.04%	2/	\$0.3020	\$0.0019	4/	5.25%	5/

Notes:

- 1/ The Spot Price Index shall be equal to the index price published in the first of the month "Inside FERC Gas Market Report" under the table "Prices of Spot Gas Delivered to Pipelines" for El Paso Natural Gas Company - Permian Basin.
- 2/ The Total Gas Cost Rate shall be equal to the applicable Spot Index multiplied by one plus Fuel and Loss Retention Factor.
- 3/ The Surcharge shall include the ACA Surcharge pursuant to Section 21 of the General Terms and Conditions and any surcharge for unrecovered purchased as costs pursuant to Section 20 of the General Terms and Conditions.
- 4/ The Total Rate shall be equal to the sum of the Total Gas Cost Rate, the Non-Gas Cost Rate, and the Surcharge for deliveries outside of New Mexico.
- 5/ The Total Rate for deliveries in New Mexico shall be equal to the Total Rate for outside of New Mexico multiplied by one plus the New Mexico Gross Receipts Tax Factor. The New Mexico Gross Receipts tax shall not be imposed on any exempt sales.

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Substitute Second Revised Sheet No. 5 Substitute Second Revised Sheet No. 5 : Effective
Superseding: Substitute First Revised Sheet No. 5

RATE SCHEDULE FS-1
FIRM SALES SERVICE

1. Availability: This rate schedule is available to any Buyer for the purchase from West Texas Gas, Inc. (herein called "Seller") of natural gas delivered from Seller's Bivins-Clayton transmission facilities (also referred to as the "Dalhart System") when Buyer and Seller have executed a service agreement for service under this rate schedule.
2. Applicability: This rate schedule shall apply to all natural gas delivered by Seller to Buyer from Seller's Bivins-Clayton transmission facilities, except such natural gas as Buyer may purchase from Seller under Rate Schedule IS-1. Deliveries of gas hereunder up to the maximum daily obligation Seller is obligated to deliver to Buyer under the service agreement shall be firm gas and shall not be subject to curtailment or interruption except as provided in Sections 10 and 11 of the General Terms and Conditions.
3. Rate: The rate for volumes delivered under rate schedule FS-1 shall be the applicable "Total Rate" as shown on Sheet No. 4 of Seller's FERC Gas Tariff, First Revised Volume No. 1.
4. Minimum Bill: None.
5. Unit of Measurement: See Section 3 of the General Terms and Conditions.
6. Heat Content: The heat content of the gas delivered hereunder shall not be less than 963 BTU per cubic foot nor more than 1,033 BTU per cubic foot.
7. General Terms and Conditions: The General Terms and Conditions are applicable to this rate schedule and are hereby made a part hereof.

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First Revised Sheet No. 6 First Revised Sheet No. 6 : Effective
Superseding: Original Sheet No. 6

RATE SCHEDULE IS-1
INTERRUPTIBLE SERVICE

1. Availability: This rate schedule is available to any Buyer for the purchase of natural gas from Seller, when Buyer and Seller have executed a service agreement for service under this rate schedule.

2. Applicability and Character of Service:

2.1 This rate schedule shall apply to all natural gas sold and delivered to Buyer for interruptible service.

2.2 Deliveries of natural gas under this rate schedule shall be interruptible.

2.3 It is specifically understood and agreed that deliveries of interruptible gas may be discontinued by Seller at any time upon notice of curtailment to Buyer. Seller shall give Buyer a minimum of two (2) hours' notice of any curtailment except in the case of emergency. In case of emergency, Seller shall give Buyer such notice as the circumstances permit. Notice may be given either in writing, by telephone or in person. As soon as notice of curtailment or interruption is given by Seller, Buyer shall curtail or interrupt the use of gas within the period specified by Seller and shall immediately advise Seller.

Buyer shall not thereafter resume or increase the use of gas until such time as Seller shall give notice to Buyer that gas is available for delivery under this rate schedule. In view of the fact that deliveries are subject to curtailment, it is specifically understood and agreed that Buyer assumes the risk therefore and hereby releases Seller from any liabilities or damages which may occur to Buyer by reason of any interruption of service as a result of insufficiency of gas available or inadequacy of transmission or distribution line capacity.

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Substitute Second Revised Sheet No. 7 Substitute Second Revised Sheet No. 7 : Effective
Superseding: Substitute First Revised Sheet No. 7

RATE SCHEDULE IS-1
INTERRUPTIBLE SERVICE
(Continued)

3. Rate: The rate for volumes delivered under Rate Schedule IS-1 shall be the applicable "Total Rate" as shown on the effective Sheet No. 4 of Seller's FERC Gas Tariff, First Revised Volume No. 1.
4. Minimum Bill: None.
5. Determination of Deliveries: The volume of gas delivered under this rate schedule on any day shall be that volume of gas in excess of Buyer's entitlement at any point under Rate Schedule FS-1, as measured by meters of Buyer, computed in accordance with Section 3 of the General Terms and Conditions.
6. Unauthorized Overrun Gas: In the event that Buyer fails to curtail and discontinue use of gas within the specified period after notice by Seller, given pursuant to Section 2.3 of this rate schedule, the total amount which Buyer takes and fails to curtail shall be billed by Seller and paid for by Buyer at a price of \$10.00 per dth for all such unauthorized overrun gas in addition to all other charges payable by Buyer hereunder.
7. Unit of Measurement: See Section 3 of the General Terms and Conditions.
8. Heat Content: The heat content of the gas delivered hereunder shall not be less than 963 BTU per cubic foot nor more than 1,033 BTU per cubic foot.
9. General Terms and Conditions: The General Terms and Conditions are applicable to this rate schedule and are hereby made a part hereof.

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First Revised Sheet Nos. 8 First Revised Sheet Nos. 8 : Effective
Superseding: Sheet Nos. 8 and 9

(Sheet Nos. 8 and 9 are reserved for future use)

Effective Date: 12/01/1997 Status: Effective
FERC Docket: RP98- 25-002

Substitute First Revised Sheet No. 9 Substitute First Revised Sheet No. 9 : Effective
Superseding: Original Sheet No. 9

RATE SCHEDULE I-1
IRRIGATION SERVICE
(Continued)

3. Rate: The rate for volumes delivered under rate schedule I-1 shall be the applicable "Total Rate" as shown on Sheet No. 4 of Seller's FERC Gas Tariff, First Revised Volume No. 1.
4. Minimum Monthly Bill: None.
5. Determination of Deliveries: When the meter measuring gas delivered under this rate schedule also measures gas delivered at the same time by Seller to Buyer under other rate schedules, the volumes of gas to be billed by Seller to Buyer under this rate schedule shall be determined by readings of the measuring facilities of Buyer utilized in serving its irrigation consumers for which gas is purchased by Buyer under this rate schedule.
6. Unauthorized Overrun Gas: In the event that Buyer fails to curtail and discontinue the use of gas within the specified period after notice by Seller given pursuant to Section 2.3 of this rate schedule, the total amount which Buyer takes and fails to curtail shall be billed by Seller and paid for by Buyer at a price of \$10.00 per Mcf for all such unauthorized overrun gas in addition to all other charges payable by Buyer hereunder.
7. Unit of Measurement: See Section 3 of the General Terms and Conditions.
8. Heat Content: The heat content of the gas delivered hereunder shall not be less than 963 BTU per cubic foot nor more than 1,033 BTU per cubic foot.
9. General Terms and Conditions: The General Terms and Conditions are applicable to this rate schedule and are hereby made a part hereof.

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Superseding: Original Sheet No. 10

GENERAL TERMS AND CONDITIONS

1. Definitions:

1.1 Day: The term "Day" shall mean a period of 24 consecutive hours beginning at 12:01 a.m. Mountain Standard Time.

1.2 Month: The term "Month" shall mean a period beginning at 12:01 a.m. Mountain Standard Time on the first day of a calendar month and extending to 12:01 a.m. Mountain Standard Time on the first day of the succeeding calendar month.

1.3 Heat Content: The term "Heat Content" shall mean the number of British Thermal Units produced by the combustion in a calorimeter at constant pressure, of the amount of gas which would occupy one cubic foot at an absolute pressure of 14.65 pounds per square inch and 60 degrees Fahrenheit, on a water-free basis, with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of the gas and air and when the water formed by combustion is condensed to the liquid state.

1.4 Maximum Daily Obligation: The term "Maximum Daily Obligation" shall mean the maximum quantity of natural gas Seller is obliged to deliver on a firm basis to Buyer and Buyer is entitled to receive on a firm basis from Seller on any day.

1.5 Dekatherm: The term "dekatherm" (dth) shall mean the quantity of heat energy which is equivalent to 1,000,000 Btu. One dekatherm of gas shall mean the quantity of gas which contains one dekatherm of energy.

1.6 British Thermal Unit: The term "British Thermal Unit" (Btu) shall mean the amount of heat required to raise the temperature of one pound of water from 59 to 60 degrees Fahrenheit at a constant pressure of 14.65 pounds per square inch absolute.

2. Quality:

2.1 General: The gas delivered to Buyer by Seller shall be commercial in quality and condition. It shall not contain more than one grain of hydrogen sulphide nor more than 20 grains of total sulphur per 100 cubic feet, and not more than 7 pounds of water per million cubic feet at the pressure and temperature bases provided in Section 3 below.

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First Revised Sheet No. 11 First Revised Sheet No. 11 : Effective
Superseding: Original Sheet No. 11

GENERAL TERMS AND CONDITIONS
(Continued)

2.2 Specific Gravity: The gas delivered by Seller to Buyer shall not have a specific gravity greater than 0.77 or less than 0.625 when compared with dry air at the same temperature and pressure, air being taken as 1.0; provided, however, the specific gravity may vary beyond such limits if approved by Buyer.

3. Measurement:

3.1 Unit of Volume: The unit of volume for purposes of sales and billing shall be one (1) dth. The number of dth delivered shall be determined by multiplying the number of Mcf of gas delivered by the Heat Content of such gas in Btu per cubic foot, and multiplying that product by 0,001. The unit of volume for purpose of measurement shall be 1,000 cubic feet of gas at a base temperature of 60 degrees Fahrenheit and an absolute pressure of 14.65 pounds per square inch. The readings and registration of the metering equipment hereinafter provided for shall be computed in terms of such volume.

3.2 Orifice Meter Computations: For meters of the orifice type, the volume of gas measured shall be computed in accordance with the specifications published April 1955 as Gas Measurement Committee Report No. 3 of the American Gas Association and any modifications and amendments thereto. Factors required in the computations to be made in accordance with such Report No. 3 shall be determined from the following information:

(a) Flowing Temperature: The temperature of the natural gas flowing through the meter shall be obtained by the use of a recording thermometer. The average temperature recorded each day while the meter is in service shall be used in computing measurements.

(b) Deviation from Boyle's Law: Deviation from Boyle's Law shall be verified at least once each year, or oftener if found necessary in practice. Tests shall be made in a manner and with apparatus approved by the United States Bureau of Mines or by such other apparatus as is satisfactory to Buyer and Seller.

(c) Specific Gravity: The specific gravity of the gas shall be determined monthly, or oftener if found necessary in practice. If gas supplied by Seller to Buyer is secured from more than one source of supply, the specific gravity shall be obtained by the use of a continuous gas sampler or a recording gravitometer.

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First Revised Sheet No. 12 First Revised Sheet No. 12 : Effective
Superseding: Original Sheet No. 12

GENERAL TERMS AND CONDITIONS
(Continued)

3. Measurement (Continued):

3.2 Orifice Meter Computations (Continued):

3.2(c) Specific Gravity (Continued):

The average specific gravity so obtained by continuous sampling, or recorded each day by recording gravitometer shall be used in computing measurements. The monthly specific gravity tests, the analysis of continuous samples and a monthly check of the recording gravitometers shall be made by the use of the Acme Gas Balance or by such other method as is satisfactory to Seller and Buyer, and any adjustments necessary shall be made and jointly observed.

(d) Assumed Atmospheric Pressure - The atmospheric pressure shall be assumed to be the average barometric pressure at the point of measurement and shall be specified in the executed service agreement.

(e) Reynolds Number and Expansion Factor - The Reynolds Number and Expansion Factors shall be determined for each meter. The average differential and static pressures recorded by each meter, each twenty-four hour day, shall determine the value of these factors to be used in computing measurements.

3.3 Computations for Meters Other than Orifice Meters: If meters other than orifice meters are used, the physical characteristics of the gas which affect the computation of the readings and registrations of such metering equipment shall be given due consideration.

4. Measurement Equipment:

4.1 Installation and Operation by Seller: Unless otherwise agreed upon Seller shall install, operate and maintain, at its own expense, at or near each point of delivery, a measuring station properly equipped with meters and other necessary measuring equipment by which the volume of gas delivered to Buyer shall be measured. Such measuring station and equipment shall be and remain the property of Seller. If the measuring station shall be on the premises of Buyer, Buyer will grant to Seller the right of free ingress and egress to such measuring station for the purpose of installation, operation, repair or removal.

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Original Sheet No. 12A Original Sheet No. 12A : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

4. Measurement Equipment (Continued):

The heating value of the gas shall be determined by means of a recording calorimeter, employing the Thomas principle of calorimetry, located at or near each receipt point on Seller's pipeline system or at any other point where there will be no commingling thereafter of gas with that delivered by Buyer, or by means of some other recognized method. The total Btu content of the gas delivered during any given period shall be determined by multiplying the total volumes of natural gas delivered during such period by the average heating value of the gas for the same period.

4.2 Check Measuring Equipment: Buyer may install, maintain and operate, at its own expense, such check measuring

GENERAL TERMS AND CONDITIONS
(Continued)

4. Measurement Equipment (Continued):

4.2 Check Measuring Equipment (Continued):

equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Seller's measuring equipment at or near the point of delivery.

4.3 Access to Equipment and Records: Buyer shall have access to the measuring equipment at all reasonable times, but the reading, calibrating and adjusting thereof, the changing of charts and the calculation of delivered volumes shall be done only by employees or agents of Seller.

4.4 Testing of Measurement Equipment and Gas Quality: The accuracy of Seller's measuring equipment shall be verified by Seller at reasonable intervals and, if requested, in the presence of representatives of Buyer. In the event either party shall notify the other that it desires a special test of any measuring equipment, the parties shall cooperate to secure a prompt test of the accuracy of such equipment. Seller shall notify Buyer of the time of all tests of measurement equipment and gas quality sufficiently in advance of the holding of such tests, so that Buyer may have representatives present.

4.5 Correction of Measuring Errors: If upon test, any measuring equipment is found to be in error by not more than one percent, previous recordings of such equipment shall be considered accurate in computing deliveries of gas, but such equipment shall be adjusted at once to record accurately. If, upon test, any measuring equipment shall be found to be in error by an amount exceeding one percent, then any previous recordings of such equipment shall be corrected to zero error for any period which is known definitely; but in case the period is not known or agreed upon, such correction shall be for a period extending over one-half of the time elapsed since the date of last test, not exceeding a correction period of sixteen days.

4.6 Failure of Meter: In the event a meter is out of service or registering inaccurately by more than one percent, the volume of gas tendered shall be determined:

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First Revised Sheet No. 14 First Revised Sheet No. 14 : Effective
Superseding: Original Sheet No. 14

GENERAL TERMS AND CONDITIONS
(Continued)

4. Measurement Equipment (Continued):

4.6 Failure of Meter (Continued):

(a) By correcting the error if the percentage of error is ascertainable by calibration, tests or mathematical calculation; or

(b) In the absence of (a), by using the registration of any check meter or meters if installed and accurately registering; or

(c) In the absence of both (a) and (b), by estimating the quantity of delivery by deliveries during periods under similar conditions when the meter was registering accurately.

5. Billing:

5.1 Determination of Volumes: There shall be subtracted from the total amount of natural gas delivered by Seller to Buyer during the billing period the volumes of gas sold by Seller to Buyer under Rate Schedule IS-1. The remaining balance delivered by Seller to Buyer during the billing period shall be billed under the Rate Schedule FS-1.

5.2 Billing: On or before the tenth day of each month, Seller shall render to Buyer a statement of the quantities of natural gas delivered to Buyer during the preceding month and the amount due from Buyer to Seller. When information necessary for billing purposes is in control of Buyer, Buyer shall furnish such information to Seller on or before the fifth day of each month.

5.3 Examination of Records: Both Seller and Buyer shall have the right to examine, at reasonable times, books, records and charts of the other to the extent necessary to verify the accuracy of any statement, charge or computation made under or pursuant to any of the provisions hereof.

GENERAL TERMS AND CONDITIONS
(Continued)

5. Billing (Continued):

5.3 Examination of Records (Continued):

Any such books, records and charts delivered upon request therefore shall be returned within twenty days after receipt thereof. Both Seller and Buyer shall preserve all such books, records, and charts or copies thereof for a period of at least three years.

5.4 Correction of Billing Errors:

In the event an error is discovered in the amount billed in any statement rendered by the Seller, such error shall be adjusted within thirty days of the claim therefor, provided that claim therefor shall have been made within twelve months from the date of such statement.

6. Payment:

6.1 Payment: On or before the twentieth day of each month, Buyer shall pay Seller, at Seller's General Office, the amount due from Buyer for the preceding month as billed by Seller.

6.2 Unpaid Accounts: Should Buyer fail to pay the amount of any bill for gas delivered, as herein provided when such amount is due, interest on the unpaid account shall accrue at the rate of six percent per annum from the due date until the date of payment. If such failure to pay continues for thirty days after payment is due, Seller in addition to any other remedy it may have, may, after obtaining any requisite authorization, suspend further delivery of gas until such amount is paid, provided, however, that if Buyer in good faith shall dispute the amount of any such bill or part thereof and shall pay to Seller such amount as it considers to be correct and at any time thereafter, within thirty days of a demand made by Seller, shall furnish a good and sufficient surety bond in amount and with sureties satisfactory to Seller, conditioned upon the payment of any amount ultimately found due upon such bill after a final determination which may be reached either by agreement or judgment of the courts as may be the case, then Seller shall not be entitled to suspend further delivery of gas unless and until default be made in the condition of such bond.

6.3 Extension of Time of Payment: If presentation of a bill by Seller is delayed after the tenth of the month, the time of payment shall be extended accordingly unless Buyer is responsible for such delay.

GENERAL TERMS AND CONDITIONS
(Continued)

7. Delivery:
 - 7.1 Points of Delivery: The points of delivery to Buyer shall be the delivery points stated in the executed service agreement.
 - 7.2 Deliveries at More Than One Point: When deliveries are made to Buyer at more than one point of delivery the aggregate firm deliveries shall not exceed the maximum daily obligation on any day, irrespective of the aggregate of the maximum firm delivery obligations at the several delivery points as set forth in the executed service agreement or in any prior agreements under which the demand is delivered.
 - 7.3 Delivery Pressure: Deliveries to Buyer shall be made by Seller at each delivery point at the pressure stated in the executed service agreement.
8. Possession of Gas and Responsibility: As between Seller and Buyer, Seller shall be in control and possession of the gas and responsible for any damage or injury caused thereby until the same shall have been delivered to Buyer at the point or points of delivery, after which Buyer shall be deemed to be in control and possession thereof and responsible for any injury or damage caused thereby.
9. Warranty of Title: Seller warrants the title to all gas delivered by it to Buyer.
10. Force Majeure:
 - 10.1 Neither Seller nor Buyer shall be liable in damages to the other for any act, omission or circumstance occasioned by or in consequence of any acts of God, strikes, lockouts, of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightening, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, temporary failure of gas supply, the binding order of any court of governmental authority, and any other cause, whether of the kind herein enumerated or otherwise, not within the control of the one claiming suspension and which by the exercise of due

GENERAL TERMS AND CONDITIONS
(Continued)

10. Force Majeure (Continued):

diligence it is unable to prevent or overcome. Failure to prevent or settle any strike or strikes shall not be considered a matter within the control of the party claiming suspension.

10.2 Such causes or contingencies affecting performance shall not relieve Seller or Buyer of liability in the event of failure of either to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes and contingencies relieve either from its obligation to make payments of amounts then due hereunder.

11. Priority of Service:

11.1 Right of Seller to Serve Others: Nothing in these General Terms and Conditions, this Tariff, or the Service Agreement executed by Seller and Buyer shall in any way abridge the right of Seller at any time to sell, transport and deliver natural gas to others than Buyer from its pipeline system, but Seller shall not give to such others for similar types of service any priority or preference above its obligations to Buyer.

11.2 Curtailment Procedure:

If, due to any cause whatsoever, the capacity for deliveries of gas or the gas available for deliveries from Seller's system or any part thereof is impaired so that Seller is unable to supply at such time its total firm and interruptible obligations, then within the area of the system requiring curtailment or interruption, insofar as practicable, curtailment shall be made as follows:

(a) Interruptible deliveries made by Seller under this Tariff and under interruptible direct sale contracts shall be curtailed first.

(b) In the event that the above fails to provide sufficient gas to meet all of Seller's firm requirements, then the requirements of Seller's Buyers and the requirements of Seller's direct sale domestic and commercial customers shall first be supplied by Seller, and the remaining available gas

GENERAL TERMS AND CONDITIONS
(Continued)

11. Priority of Service (Continued):

11.2 Curtailment Procedure (Continued):

shall be prorated by Seller among the firm industrial customers of its Buyers and among Seller's firm industrial direct sale customers in as fair and equitable manner as possible with due regard to the efficient operation of Seller's pipeline system.

11.3 Partial Curtailment: Where only partial curtailment is necessary, Seller shall apportion available gas among the class affected by the curtailment in as fair and equitable manner as possible with due regard to the efficient operation of Seller's pipeline system.

11.4 Temporary Curtailment for Alterations and Repairs: Seller may interrupt its service to Buyer for the purpose of making necessary alterations and repairs to its properties, but only for such time as may be reasonable or unavoidable. Seller shall endeavor to arrange such curtailment so as to inconvenience Buyer's operations as little as possible.

11.5 Notice of Curtailment: Seller shall give Buyer a minimum of two hours' notice on any curtailment except in the case of an emergency. In case of emergency, Seller shall give Buyer such notice as the circumstances permit.

12. Operating Information and Estimates: Upon request of Seller, Buyer shall from time to time within a reasonable time, submit estimates of the daily, monthly and annual volumes of gas required hereunder, including peak day requirements, together with such other operating data as Seller may require in order to schedule its operations and to meet its system requirements.

13. Duly Constituted Authorities: These General Terms and Conditions, the rate schedules to which they apply; and any executed service agreement for service hereunder are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

14. Service Agreement:

14.1 Form of Agreement: Buyer shall enter into a contract with Seller for service in the form contained in this Tariff.

GENERAL TERMS AND CONDITIONS
(Continued)

14. Service Agreement (Continued):

14.2 Term of Agreement: The period of time to be covered by the executed service agreement shall be determined by agreement between the parties but shall not be longer than twenty years, provided, however, that where the service agreement supersedes or cancels an existing contract, the term of the service agreement shall be not less than the unexpired portion of the term contained in the contract to be superseded or canceled, unless Buyer and Seller mutually agree otherwise.

15. Volumetric Obligations and Requirements - Maximum Daily Obligation: The maximum daily obligation shall be as mutually agreed upon by Buyer and Seller in the executed service agreement.

16. Changes in Maximum Daily Obligation:

16.1 Increases in Maximum Daily Obligation:

- (a) Notice to Seller - When any Buyer desires to increase the then effective maximum daily obligation, Buyer shall notify Seller on or before February 1, of any year of the total amount of the desired increase and the date on which Buyer desires the increase to become effective. Such effective date shall not be prior to November 1, of the year in which Buyer gives notice to Seller, provided that if the increase is more than five percent of the then effective maximum daily obligation, Buyer's notice shall specify an effective date not less than eighteen months from February 1 of the year in which the notice is given. With each notice, Buyer shall furnish detailed estimates of Buyer's requirements.
- (b) Procedure if Additional Facilities and Supplies Not Required - If Seller determines in its judgment, giving consideration to its obligations to all of its customers, and its various sources of supply, that it will be able to deliver the additional quantity of gas requested by Buyer without obtaining additional facilities, Seller shall notify Buyer by May 1, of such

GENERAL TERMS AND CONDITIONS
(Continued)

16. Changes in Maximum Daily Obligation (Continued):

16.1 Increases in Maximum Daily Obligation (Continued):

year, and thereupon Seller and Buyer shall execute a service agreement specifying the new maximum daily obligation. Seller shall proceed with due diligence to apply for and obtain from regulatory bodies having jurisdiction any authorization necessary for the sale of such increased quantities of gas to Buyer.

The effective date of such service agreement containing the new maximum daily obligation shall be that date as may be mutually agreed upon by Buyer and Seller.

(c) Procedure if Additional Supplies or Facilities Required -

If Seller determines in its judgment, giving consideration to its obligations to all of its customers, and its source of supply, that the requested additional supply is not available or that additional facilities must be constructed, Seller shall notify Buyer thereof on or before May 1, of the year in which Buyer's notice is given. Thereupon, Buyer and Seller shall employ the following procedure to make such additional supply available:

- (1) Seller shall use diligence to determine whether it can obtain or cause to be obtained all materials and additional gas supply from any reasonably available source which may be necessary to enable it to deliver such additional quantities of gas to Buyer.
- (2) Seller shall not be obligated to supply the requested additional gas if Seller determines in its judgment that it cannot do so economically.
- (3) If Seller determines in its judgment that it can supply the requested additional gas to Buyer economically, Seller and Buyer shall execute a service agreement specifying the new maximum daily obligation, and thereupon Seller shall proceed with due diligence to apply for and attempt to obtain from regulatory bodies having jurisdiction any authorization necessary for the sale of such increased volumes of gas to Buyer.

GENERAL TERMS AND CONDITIONS
(Continued)

16. Changes in Maximum Daily Obligation (Continued):

16.1 Increases in Maximum Daily Obligation (Continued):

- (4) Upon obtaining any necessary authorization in form acceptable to Seller, Seller shall construct with due diligence any necessary additional facilities. Upon completion of such additional facilities or when Seller is ready and able to deliver the increased volume of gas, it shall notify Buyer.
- (5) The new maximum daily obligation shall become effective on the first day of the month following that in which Seller notifies Buyer that it is ready and able to deliver the increased volume of gas, or such other date as may be mutually agreed upon between Seller and Buyer.

16.2 Decreases in Maximum Daily Obligation: Buyer may decrease the maximum daily obligation by giving written notice of the proposed decrease providing that it executes a service agreement containing the new maximum daily obligation and that either of the following conditions can be satisfied:

- (a) When and to the extent that the capacity so released can be made available to and offset by increases in the maximum daily obligation of other Buyers served by Seller; or
- (b) When and to the extent that Seller can reduce its maximum daily obligation with its suppliers.

17. Notices: Any notice provided for in this Tariff or in the executed service agreement shall be in writing and shall be considered as having been given to Seller when mailed by registered mail to it at 211 North Colorado, Midland, Texas 79701; or to Buyer when mailed by registered mail addressed to it at such office as it may designate.

Effective Date: 05/01/1998 Status: Effective
FERC Docket: RP98- 25-006

Third Revised Sheet No. 22 Third Revised Sheet No. 22 : Effective
Superseding: Second Revised Sheet No. 22

GENERAL TERMS AND CONDITIONS
(Continued)

18. Lateral Line Policy:

West Texas Gas, Inc. ("Seller") will not build or contribute to the cost of building any sales lateral pipelines to resale customers. Nothing in this policy statement shall require the Seller to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act. Nothing in this policy statement, further, shall prevent Seller from contesting an application for service filed pursuant to Section 7(a). The Seller reserves the right to seek a waiver of the policy set forth herein, for good cause shown, during any proceeding before the Commission instituted under Section 7 of the Natural Gas Act.

Effective Date: 05/01/1998 Status: Effective
FERC Docket: RP98- 25-005

Substitute Third Revised Sheet No. 23 Substitute Third Revised Sheet No. 23 : Effective
Superseding: Second Revised Sheet No. 23

GENERAL TERMS AND CONDITIONS
(Continued)

19. Maximum Effective Rates

19.1 The Maximum Effective Rate, including separately stated fuel and loss charges under West Texas Gas, Inc.'s (Seller) Rate Schedules FS-1 and IS-1 (Affected Rate Schedules) as contained in Seller's FERC Gas Tariff, First Revised Volume No. 1, shall be the Total Rate for each rate schedule as set forth on Seller's effective Sheet No. 4.

19.2 For each month, the Maximum Effective Rate shall be calculated in accordance with Seller's effective Sheet No. 4, which shall specify (1) the applicable Spot Price Index, as defined in Section 19.3, (2) a factor to reflect fuel, lost, and unaccounted for gas, (3) Seller's effective non-gas rate, (4) all applicable surcharges, and (5) for any volumes delivered in New Mexico, the applicable gross receipts tax as set forth on Sheet No. 4, provided that no gross receipts tax shall be imposed on any volumes for which Seller is exempt from such tax.

19.3 The Spot Price Index shall equal the index price reported for El Paso Natural Gas Company - Permian Basin in the table "Prices of Spot Gas Delivered to Pipelines" published in the first issue each month of "Inside FERC Gas Market Report" (or any successor publication of McGraw Hill, Inc.).

19.4 On the second business day following the determination of each month's Spot Price Index, Seller shall telecopy to all affected customers under each of Seller's Affected Rate Schedules the maximum Gas Rate calculated in accordance with Section 19.2. Such rate shall be effective for the entire month.

19.5 In the event "Inside FERC Gas Market Report" fails or ceases to publish an index price for El Paso Natural Gas Company - Permian Basin in any month, Seller shall file with the Federal Energy Regulatory Commission a revised pricing index which shall be effective on the date filed.

GENERAL TERMS AND CONDITIONS
(Continued)

19. Effective Gas Rate (Continued)

19.6 Annual Purchased Gas Cost Reconciliation

(a) On July 1, 1999, and each July 1 thereafter, Seller shall file with the Commission, furnish to its jurisdictional customers, and post as defined by Section 154.2 of the Commission's regulations, a report containing detailed computations showing the derivation of its actual cost of purchased gas and total gas costs recovered from its jurisdictional customers for the prior 12-month period ended April 30. Seller's actual cost of purchased gas shall be determined as set forth in paragraph 19.6(b) below. Any difference between Seller's actual cost of purchased gas and the cost of gas recovered from jurisdictional customers, as determined in paragraph 19.6(b)(2) below, plus interest, shall either be refunded by Seller to its jurisdictional customers or paid by customers to Seller, as provided in this paragraph 19.6.

(b) Seller shall maintain an account for recording monthly deferrals of any over-recovery or under-recovery of its actual gas costs. These monthly deferrals shall be the difference between:

(1) The total actual monthly cost of gas purchased for resale to customers under Rate Schedules FS-1 and IS-1; and

(2) The Total Gas Cost Rate for the month, calculated as set forth on the effective Sheet No. 4 of Seller's FERC Gas Tariff, First Revised Volume No. 1, multiplied by the total quantities of gas sold under Rate Schedules FS-1 and IS-1 during the month.

The actual cost of gas purchased for Rate Schedules FS-1 and IS-1 shall be equal to the ratio of total sales volumes under these rate schedules to the total sales made on the Dalhart System for the month, multiplied by the total purchased gas cost for the Dalhart System for that month. The actual cost of purchased gas under this paragraph shall be attributable to gas quantities purchased and received in a month, that are paid for, or are for amounts known within 60 days of the end of the month in which the purchases were made and received that have not yet been paid.

GENERAL TERMS AND CONDITIONS
(Continued)

19.6 Annual Purchased Gas Cost Reconciliation (Continued)

(c) Seller shall include in the deferred account maintained pursuant to paragraph (b) above:

(1) Adjustments to a prior month's actual cost of gas purchased;

(2) Adjustments to a prior month's revenue due to a revision to that month's sales level; and

(3) Interest, calculated at the rate set out in Section 154.501(d) (1) of the Commission's regulations, charged on any under-recovery of gas costs or credited against any over-recovery of gas costs, from the date payments are received until the date upon which refunds are made to customers (in the case of over-recovery) or until payment in full is received by Seller (in the case of under-recovery of gas costs). Interest shall be compounded monthly.

(d) Seller shall make refunds or submit invoices to each Buyer served under Rate Schedules FS-1 and IS-1 for any over-recovery or under-recovery of gas costs based on the balance in the deferred account maintained pursuant to paragraph (b) above. Interest shall continue to accrue on any unpaid or uncredited balances at the rate stated in paragraph (c) (3) above. Except as provided in paragraph (f) below, refunds or payments of any unrecovered purchased gas costs shall be due no later than 60 days following the filing of Seller's report.

(e) Each Buyer's share of Seller's purchased gas costs in any month shall be equal to a fraction, the numerator of which is the total volumes of Seller's sales to Buyer under Rate Schedules FS-1 and IS-1 during the month, and the denominator of which is the total sales volumes to all Buyers served under such rate schedules during that month.

(f) In the event the annual reconciliation of Seller's purchased gas costs results in a positive balance due Seller in excess of \$15,000, then Buyer shall have the option to pay Seller in up to three monthly installments, with the first payment due no later than 60 days following the filing of Seller's annual report. Interest shall continue to accrue on any unamortized balance as specified above.

GENERAL TERMS AND CONDITIONS
(Continued)

20. Surcharge for Unrecovered Purchased Gas Costs

20.1 Upon the termination of Seller's Purchased Gas Adjustment mechanism, Seller shall be permitted to recover the total unrecovered amounts remaining in its Unrecovered Purchased Gas Account, Account No. 191 of the Uniform System of Accounts. Each Buyer served under one of Seller's sales rate schedules as of the day prior to the effective date of this Section 20 shall be responsible for a proportionate share of any unrecovered purchased gas costs, calculated in accordance with Section 20.2. If the balance of Seller's Unrecovered Purchased Gas Account shall be a credit balance, Seller shall refund a proportionate share of such balance to the Buyers affected hereunder.

20.2 Each Buyer's proportionate share of any positive or negative balance of Seller's Unrecovered Purchased Gas Account shall be equal to a fraction consisting of the volume of Seller's sales to Buyer during the twelve months prior to the effective date of this Section 20 as the numerator and Seller's total sales volumes to all Buyers under Rate Schedules FS-1 and IS-1 during the same period as the denominator.

20.3 The entire amount of each Buyer's obligation to Seller shall be deemed to be due and payable on the day prior to the date this Section 20 becomes effective. Buyer may elect either to pay its proportionate share of Seller's Unrecovered Purchased Gas Account in full within ten days after receiving Seller's invoice for such amount, or to pay a volumetric surcharge designed to recover such amount over a twelve month period, with interest calculated in accordance with Section 154.501(d) of the Commission's regulations. In the event Buyer elects to pay Seller by means of a volumetric surcharge, such surcharge shall remain in effect until Buyer's proportionate share of the Unrecovered Purchased Gas Account, plus interest, is fully recovered. In the event of a credit balance in the Unrecovered Purchased Gas Account, Seller shall pay each Buyer its proportionate share of such amount within ten days after such amount is determined.

Effective Date: 05/01/1998 Status: Effective
FERC Docket: RP98- 25-005

Sub. Third Revised Sheet No. 25 Sub. Third Revised Sheet No. 25 : Effective
Superseding: Second Revised Sheet No. 25

GENERAL TERMS AND CONDITIONS
(Continued)

21. Annual Charge Adjustment Provision

21.1 Purpose: The purpose of this provision is to permit Seller to recover the annual charges assessed by the Federal Energy Regulatory Commission pursuant to Part 382 of its regulations. For purposes of recovering such charges, this Section establishes, pursuant to Section 154.402 of the Commission's regulations, an "ACA Surcharge" to be applicable to all gas sold under all of Seller's rate schedules contained in Volume Nos. 1 and 2 of Seller's FERC Gas Tariff. This amount shall be in addition to any amounts otherwise payable to Seller under said rate schedules.

21.2 Basis for Annual Charge Adjustment: Each of Seller's rate schedules shall include an Annual Charge Adjustment unit charge (ACA unit charge) applicable to each Mcf of gas sold or transported thereunder. Such unit charge shall be included as a Surcharge on the effective Sheet No. 4 of Seller's FERC Gas Tariff, First Revised Volume No. 1. The ACA unit charge shall be recovered on a volumetric basis.

21.3 Changes to the ACA unit charge shall be filed annually to reflect the annual charge unit rate authorized by the Commission each fiscal year and are subject to the 30 day notice requirement of the Commission's regulations. In the event the Commission's establishment of such ACA unit charge for any particular year prevents Seller from making a timely filing for a change to its ACA surcharge, then the notice requirements shall be deemed waived upon approval by the Commission.

21.4 The amount applicable to each Buyer under its respective rate schedule shall be due and payable with the bill for the month to the customer.

Effective Date: 05/01/1998 Status: Effective

FERC Docket: RP98- 25-005

Sub Third Revised Sheet Nos. 26 Sub Third Revised Sheet Nos. 26 : Effective
Superseding: Sheet Nos. 26 Through 32W

(Sheet Nos. 26 through 32W are reserved for future use)

Effective Date: 10/01/1996 Status: Effective
FERC Docket: RP96-377-000

First Revised Sheet No. 27 First Revised Sheet No. 27 : Effective
Superseding: ORIGINAL SHEET NO. 27

GENERAL TERMS AND CONDITIONS
(Continued)

19.2 Definitions (Continued):

(n) Current adjustment means a rate component in Seller's tariff, determined by applying the unit-of-sales methodology, used to reflect the difference between:

(1) The current weighted average projected purchased gas costs, and

(2) The weighted average projected purchased gas costs reflected in the effective period of the previous scheduled PGA.

(o) Deferral period means a period of 12 months ending four months before the effective date of Seller's annual PGA filing.

(p) Surcharge rate amortization period means the time period approved by the Commission during which a surcharge rate, determined under Paragraph 19.5 hereof, is charged by Seller.

(q) Unpaid accrual means an expense for services rendered or property delivered to Seller for which Seller has a legally enforceable obligation to pay which Seller has not paid within its billing and payment cycle, provided that the billing and payment cycle does not exceed 60 days from the end of the month in which the services were rendered or property was delivered.

Effective Date: 10/01/1996 Status: Effective
FERC Docket: RP96-377-000

First Revised Sheet No. 28 First Revised Sheet No. 28 : Effective
Superseding: ORIGINAL SHEET NO. 28

GENERAL TERMS AND CONDITIONS
(Continued)

19.3 Election of a PGA clause.

(a) General rule. West Texas Gas ("Seller") may elect to recover changes in its purchased gas costs either by:

- (1) Filing a request for a change in its rate level under Section 154.7, or
- (2) Complying with the election procedures in paragraph (b) of this section.

(b) Procedure for election. For purposes of this paragraph, "election period," means a three-year calendar period commencing on January 1 of every third year. The first election after that described in paragraph (b)(1) of this section is January 1, 1991.

(1) The first election commences on June 1, 1988.

(2) West Texas Gas may terminate its PGA clause effective as of the next election period by filing revised tariff sheets eliminating the PGA clause on or before December 1 preceding a new election period, to be effective on the first January 1 of the new election period.

(3) If West Texas Gas does not make a filing to terminate the PGA clause on or before December 1 preceding a new election period, it will be considered to have elected to recover changes in its purchased gas costs through the PGA clause during the new election period.

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FERC Docket: RP96-377-000

First Revised Sheet No. 29 First Revised Sheet No. 29 : Effective
Superseding: ORIGINAL SHEET NO. 29

GENERAL TERMS AND CONDITIONS
(Continued)

19.3(b) Election of a PGA clause (Continued):

(4) If West Texas Gas elects the non-PGA option for an election period, it may file revised tariff sheets implementing the PGA clause option for the next election period. If West Texas Gas makes such an election, it shall file revised tariff sheets to implement the PGA clause option on or before December 1 preceding a new election period to make the PGA clause effective on the first January 1 of that election period.

(5) West Texas Gas shall not change its election or file tariff sheets eliminating its PGA clause from its tariff during the election period.

(c) PGA clause option. Subject to paragraph (e) of this section, West Texas Gas shall not include any change in purchased gas costs in a Natural Gas Act section 4 rate filing made under Part 154 which is filed on or after May 1, 1988.

(1) Subject to paragraph (c)(4) and paragraph (e) of this section, during any period in which West Texas Gas elects the PGA clause option, it shall file for changes in purchased gas costs through its PGA clause and not through a Natural Gas Act section 4 rate filing under Part 154 of the Commission's Regulations.

(2) If West Texas Gas elects to recover changes in its purchased gas costs through filings made under a PGA clause, it shall file tariff sheets containing a PGA clause, to be approved by the Commission, that:

(i) Detail the computation of all the adjustments to its base tariff rates as permitted by Paragraphs 19.5, 19.7, and 19.8 hereof;

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First Revised Sheet No. 30 First Revised Sheet No. 30 : Effective
Superseding: ORIGINAL SHEET NO. 30

GENERAL TERMS AND CONDITIONS
(Continued)

19.3(c) Election of a PGA clause (Continued):

- (ii) Indicate that West Texas Gas has elected the unit-of-sales methodology, and state that it will consistently use that methodology for computing the current adjustment and for determining the monthly deferrals to Account No. 191;
 - (iii) State that Seller will apply to the adjustments permitted by Paragraphs 19.5, 19.7, and 19.8, only the portion of the changes in its purchased gas costs that are allocated to its jurisdictional sales;
 - (iv) Describe how Seller will refund amounts described in Paragraph 19.5(i); and
 - (v) Adopt all other terms and conditions specified in this part.
- (3) West Texas Gas shall normalize all income tax timing differences which are the result of differences between the period in which expense or revenue enters into the determination of taxable income and the period in which the expense or revenue enters into the determination of pre-tax book income.

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FERC Docket: RP96-377-000

First Revised Sheet No. 31 First Revised Sheet No. 31 : Effective
Superseding: ORIGINAL SHEET NO. 31

GENERAL TERMS AND CONDITIONS
(Continued)

19.3(c) Election of a PGA clause (Continued):

(4) West Texas Gas may request a waiver from the Commission of the PGA election requirements of this section if it demonstrates:

- (i) That it is unable to arrange for financing of the balances accrued in Account No. 191, or
- (ii) That it is unable to earn its overall rate of return last allowed by the Commission because of the magnitude of the balance in Account No. 191 and a significant difference exists between the costs of financing the Account No. 191 balances and the carrying charges permitted under Paragraph 19.5(h).

(d) Non-PGA clause option. During an election for which West Texas Gas has elected the non-PGA clause option, it may only recover for changes in purchased gas costs by filing a Natural Gas Act section 4 rate filing. West Texas Gas shall not file tariff sheets to include a PGA clause in its tariff during the three-year election period.

(e) Three-year filing requirement to establish new base tariff rate.

(1) General requirement. At least 30 days before the expiration of 36 months after the effective date of any previously approved base tariff rate(s), Seller shall file a tariff sheet(s) restating its rates to establish new base tariff rate(s) containing the following information:

- (i) Seller shall state its agreement that this filing will automatically be subject to refund until an agreement is reached or a Commission determination is made establishing new base tariff rate(s); and

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FERC Docket: RP96-377-000

First Revised Sheet No. 32 First Revised Sheet No. 32 : Effective
Superseding: ORIGINAL SHEET NO. 32

GENERAL TERMS AND CONDITIONS
(Continued)

19.3(e) Election of a PGA clause (Continued):

(ii) With the tariff sheet(s) Seller shall file a study in the form and with the content prescribed by Section 154.301, except Statements O and P, to support the new base tariff rate(s). On or after October 31, 1989, these tariff sheets and statements shall be filed on electronic media as prescribed in Section 385.2011 of the Commission's Regulations.

(A) If West Texas Gas has a Natural Gas Act section 5(a) case pending a final Commission order, or has made a Natural Gas Act section 4 rate filing for which the proposed rates would not become effective before termination of the 36-month period, a study from that proceeding may be utilized.

(B) This study shall be based upon actual costs for the 12 months of most recently available experience, provided that the 12-month period used ends not more than 4 months before the expiration of the 36-month period. Annualization for changes which actually occurred in the 12-month period is permitted.

(C) This study shall be served on West Texas Gas' jurisdictional customers and interested state commissions concurrently with the pipeline's filing with the Commission.

GENERAL TERMS AND CONDITIONS
(Continued)

19.3(e) Election of a PGA clause (Continued):

(2) Effect of a filing under Section 154.301. If a Natural Gas Act section 4 rate change proceeding under Section 154.301 of the Regulations is filed before the expiration of the 36-month period, a new 36-month period will begin when the rates proposed in the Section 154.301 filing go into effect. Rates determined by the Commission in a general Natural Gas Act section 4 rate proceeding pursuant to Section 154.301, or section 5(a) of the Natural Gas Act, or rates in a settlement agreement approved by the Commission will establish the new base tariff rates when they become effective pursuant to a Commission order, and a new 36-month period will start.

(3) Restatement of new base tariff rate. If, either as a result of a Commission approved agreement among Seller, its jurisdictional customers, interested state commissions, and the Commission staff, or, as a result of a Commission determination after a hearing, it is found, based on the cost study prescribed in paragraph (e)(1)(ii) of this section, that the jurisdictional cost-of-service is less than jurisdictional revenues collected for the same 12-month period used in the cost study, as adjusted, West Texas Gas shall:

- (i) Restate its base tariff rate(s);
- (ii) File with the Commission a revised tariff sheet(s) reflecting a reduction in its jurisdictional rates by an amount equal to the excess revenues agreed upon or determined; and
- (iii) Refund to its jurisdictional customers any excess amounts collected subject to refund to the date of billing under the revised tariff sheet(s), with interest to that date.

GENERAL TERMS AND CONDITIONS
(Continued)

19.3(e) Election of a PGA clause (Continued):

(A) This refund obligation will be limited to the amount collected in excess of the prior or suspended base tariff rate.

(B) The rate reduction, if any, below the old base tariff rate(s) is to be prospective from the date of the Commission's order determining the new base tariff rate(s).

19.4 Scheduled annual and quarterly PGA filings.

(a) General rule. If Seller elects a PGA clause pursuant to Paragraph 19.3(b), it shall file under the schedule specified in paragraph (c) of this paragraph:

(1) An annual PGA filing described in Paragraph 19.5 that contains both a current adjustment to reflect any changes in West Texas Gas' purchased gas costs since its last scheduled quarterly PGA filing and a surcharge rate adjustment to clear any ending balance(s) in the current deferral subaccount(s) of Account No. 191; and

(2) Three quarterly PGA filings described in Paragraph 19.7 that contain current adjustments to track any changes in West Texas Gas' purchased gas costs since its last scheduled PGA filing.

(b) Exception to rate change filing requirement. Except for the surcharge rate adjustment described in Paragraph 19.5(d), Seller may reflect a purchased gas adjustment in its rates only if the adjustment represents a dollar amount equal to at least 1 mill (\$0.001) per MMBtu of jurisdictional sales.

Effective Date: 10/01/1996 Status: Effective
FERC Docket: RP96-377-000

Original Sheet No. 32C Original Sheet No. 32C : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

19.4 Scheduled annual and quarterly PGA filings (Continued):

(c) Effective dates. West Texas Gas shall file its annual and quarterly PGA filings with the Commission to be effective as follows:

Annual Date: October 1

Quarterly Dates: January 1, April 1, July 1

19.5 Annual Purchased Gas Adjustment Filing

At least 60 days prior to the end of each billing year (October 1 through September 30), West Texas Gas, Inc. shall file with the Commission, furnish to its jurisdictional customers and interested state commissions, and post as defined by Section 154.2(d) of the Commission's regulations, its annual Purchased Gas Adjustment (PGA) filing in the format and manner prescribed by Paragraph 19.5(a) below with conforming tariff sheets. Such tariff sheets shall show for each of West Texas Gas, Inc.'s affected rates the following: Rate Schedule, Base Tariff Rate, Current Adjustment, Cumulative Adjustment, Surcharge Adjustment, and Total Rate. West Texas Gas, Inc.'s annual filing shall include a report containing detailed computations showing the derivation of the current adjustment and surcharge rate to be applied to West Texas Gas, Inc.'s effective rates. This report shall be in the format set forth in Appendix A to these General Terms and Conditions. West Texas Gas, Inc.'s annual PGA filing also shall contain a report containing statements regarding its purchasing patterns and policies.

GENERAL TERMS AND CONDITIONS
 (Continued)

19.5 Annual PGA Filing (Continued)

(a) Filing requirements. The annual filing shall be filed with the Commission and posted pursuant to Section 154.2(d) at least 60 days before West Texas Gas' proposed October 1 annual effective date. At the same time, West Texas Gas shall serve its jurisdictional customers and interested state commissions with a copy of the filing. The copy of the filing served on the jurisdictional customers and interested state commissions shall include workpapers that fully support the filing, in the format formerly set forth in FERC Form No. 542-PGA (Revised) unless otherwise agreed to by the jurisdictional customers and interested state commissions. The notice of an annual PGA filing given under Section 385.210 will provide 20 days for the filing of interventions and protests. The filing shall contain:

(1) Tariff sheets that conform to both the format specified in Section 154.102 and the following format:

Notice of Purchased Gas Cost Adjustment Rate Change

Rate Sche- dule	Base Tariff rate ¹ / rate	Current Adjust- ment	Cumulative Adjustment	Sur- charge Adjust- ment	GRI Adjust- ment	Other Adjust- ment	Total
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Estimated average cost of gas in last scheduled PGA: \$X.XX
 Current estimated average cost of gas in latest PGA (rate currently being charged): \$X.XX

1/ The base tariff rate is the effective rate on file with the Commission, excluding adjustments approved by the Commission.

Effective Date: 10/01/1996 Status: Effective

FERC Docket: RP96-377-000

Original Sheet No. 32E Original Sheet No. 32E : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

19.5(a) Annual PGA filing (Continued):

(2) A report containing detailed computations which clearly show the derivation of the current adjustment and a surcharge rate to be applied to a pipeline's effective rates.

(i) The format in which this report must be submitted and the information provided shall be similar to that formerly set forth in FERC Form No. 542-PGA (Revised) and shall fully support the filing.

(ii) All data or summaries in the filing reflecting the books of account shall be supported by accounting working papers, including reconciling schedules which may be verified easily. All statements, schedules, and working papers shall be prepared in accordance with the classifications provided in the Uniform System of Accounts in part 201 of 18 C.F.R. Upon request by the Commission staff, West Texas Gas, Inc shall make available all working papers for staff examination. All working papers shall be indexed and cross-referenced to the filing.

(3) A report containing statements about the pipeline's purchasing patterns. The report will consist of:

(i) A statement outlining the purchasing policies that gave rise to the annual and quarterly projections;

(ii) A statement about the underlying basis for the annual purchases reflected in the annual PGA filing; and

(4) Any changes to an intracompany operating statement for all gas produced by Seller .

GENERAL TERMS AND CONDITIONS
(Continued)

19.5 Annual PGA filing (Continued):

(b) Treatment of change in cost of gas from various types of suppliers. Seller shall apply changes in the cost of purchased gas to its base tariff rates in the following manner:

(1) Producer rate changes shall be applied to the commodity component of Seller's two-part rates or to the volumetric rates of its one-part rates.

(2) Pipeline supplier rate changes shall be applied as billed to Seller's two-part rates or applied to its volumetric rates in a manner which maintains West Texas Gas, Inc.'s one-part rate design.

(c) Determining the current adjustment - (1) Method for projecting cost of purchased gas. Seller shall project its purchased gas costs based on:

(i) The best estimate of the quantities of natural gas Seller expects to purchase and to receive in nonconcurrent exchange transactions during the three months beginning on the effective date of the PGA; and

(ii) Known and measurable changes in the rate, based on contractual obligations that are in existence on the date the PGA is filed.

(2) Limitation on projecting cost of purchased gas. Seller may only project its purchased gas costs based on gas supply attached to its system as of the effective date of the PGA.

GENERAL TERMS AND CONDITIONS
(Continued)

19.5(c) Annual PGA filing (Continued):

(3) Estimated sales quantities. Seller's estimated sales volumes will be the pipeline's best estimate of the volumes of natural gas the pipeline expects to sell during the three months beginning on the effective date of the PGA.

(4) Revision to the current adjustment. Seller may file a revision to the current adjustment filed with its annual PGA. The revision shall be filed with the Commission and posted under Section 154.2(d), at least 30 days before a pipeline's annual PGA effective date, as established in Subpart D of Part 154. At the same time, Seller shall serve its jurisdictional customers and interested state commissions with a copy of the filing as described in paragraph (a) of this section. The revision shall conform to the following:

(i) The filing must contain tariff sheets as specified in paragraph (a)(1) of this section.

(ii) This report shall contain detailed computations that clearly show the derivation of the revision to the current adjustment.

(iii) The current adjustment shall be determined as described in paragraphs (b) and (c) of this section. Seller shall not make an adjustment to the surcharge rate in this filing.

GENERAL TERMS AND CONDITIONS
(Continued)

19.5. Annual PGA filing (Continued):

(d) Computing the surcharge rate. Seller shall compute a surcharge rate to amortize a surcharge balance determined under paragraph (e) of this section. To compute a surcharge rate, the surcharge balance shall be divided by Seller's estimated sales volumes for the 12 month period beginning on the annual PGA effective date. The resulting surcharge rate will be in effect for the 12-month period beginning on the annual PGA effective date.

(e) Surcharge balance. Subject to the conditions in paragraph (f) of this section and Subpart D of Part 154, the balance for determining the surcharge includes:

(1) The balance accumulated in the current deferral subaccount of Account No. 191 during the deferral period, as determined in paragraph (g) of this section; and

(2) Any other costs the Commission allows Seller to include in the surcharge balance.

(f) Unpaid accrual restrictions. (1) In each annual PGA filing, Seller shall include a listing of each unpaid accrual of purchased gas costs which remains unpaid for three or more years from the month the cost was originally recognized in the pipeline's books and records. Seller shall include a specific description of the circumstances which resulted in each unpaid accrual listed. Seller shall obtain the Commission's approval to continue the recognition of the unpaid accruals as a purchased gas cost.

GENERAL TERMS AND CONDITIONS
(Continued)

19.5(f) Annual PGA filing (Continued):

(2) If the Commission does not approve the continued recognition of any unpaid accruals described in paragraph (f)(1) of this section as purchased gas costs, the amounts shall be credited to the refund subaccount of Account No. 191 as specified by the Commission order.

(g) Balances in the current deferral subaccount in Account No. 191. The accumulated subaccount balances of Account No. 191 may include:

(1) Monthly deferrals of under- or overrecovered gas costs computed as set forth below:

(i) The monthly deferrals are the amounts determined by taking the difference between A and B where:

A= The total actual monthly cost of gas purchased as determined under paragraph (g)(1)(ii) of this Paragraph 19.5, and

B= The projected unit cost of purchased gas determined under paragraph (c) of this Paragraph 19.5 that is recovered through the base cost of gas rate plus the cumulative current adjustment rate, multiplied by the actual quantities of gas sold under each current adjustment rate in effect during the month.

(ii) The actual cost of gas purchased used to calculate the monthly deferrals of under- or over-recovered purchased gas costs are the purchased gas costs, as defined in Section 19.2(j) above, as adjusted for exchange transactions and transportation imbalances under paragraph (j) of this Paragraph 19.5.

The actual cost of gas purchased under this paragraph shall be attributable to gas quantities purchased and received in a month, that are paid for, or are for amounts known within 60 days of the end of the month in which the purchases were made and received that have not yet been paid.

GENERAL TERMS AND CONDITIONS
(Continued)

19.5(g) Annual PGA filing (Continued):

(2) Adjustments to a prior month's actual cost of gas purchased as determined under paragraph (g) of this section.

(3) Adjustments to a prior month's revenue due to a revision to that prior month's sales level.

(4) Transfers of any unamortized amounts remaining in a deferral subaccount of Account No. 191 after the related surcharge amortization period has expired.

(5) Carrying charges, determined pursuant to Paragraph 19.5(h), and

(6) Transfers of any amounts remaining in a refund subaccount determined under Paragraph 19.5(i), to be amortized as part of the surcharge balance.

(h) Carrying charges - (1) General rule. Seller shall compute carrying charges on the Account No. 191 balance. After computing carrying charges, Seller shall:

(i) Compound carrying charges on a calendar quarter basis, as specified in Section 154.501; and

(ii) Debit carrying charges to Account No. 191 if the carrying charge base, specified in paragraph (h) (3) of this section, is a debit (positive), and credit carrying charges to Account No. 191 if the carrying charge base, specified in paragraph (h) (3) of this section is a credit (negative).

GENERAL TERMS AND CONDITIONS
(Continued)

19.5(h) Annual PGA Filing (Continued):

(2) Method. To compute carrying charges, Seller shall multiply the carrying charge rate specified in paragraph (h)(4) of this section by the appropriate carrying charge base specified in paragraph (h)(3) of this section.

(3) Carrying charge base. (i) The carrying charge base for the refund, revenue credits and billing adjustments subaccount will be the prior month's ending refund, revenue credit and billing adjustment subaccount balance of Account No. 191 adjusted for any applicable deferred income taxes recorded consistent with Section 19.3(c) hereof and reduced for unpaid accruals, if any.

(ii) The carrying charge base for any other subaccounts of Account No. 191 will be the prior month's ending subaccounts' balances:

(A) Reduced for unpaid accruals;

(B) Adjusted for any applicable deferred income taxes as recorded in either Account No. 283, or Account No. 190 consistent with Section 19.3(c) hereof; and

(C) Increased or decreased for exchange transactions and transportation imbalances cost adjustments, determined in paragraph (j) of this section.

GENERAL TERMS AND CONDITIONS
(Continued)

Section 19.5(h) Annual PGA Filing (Continued):

(4) Carrying charge rate. Seller shall compute a monthly carrying charge rate for carrying charges by:

- (i) Stating on an annual basis the applicable calendar quarterly rate prescribed in Section 154.501;
- (ii) Dividing the annual rate by 365 or 366, if a leap year, to compute a daily interest rate, expressed to the nearest one ten-thousandth of one percent; and
- (iii) Multiplying the daily interest rate by the number of days in the applicable month, to compute a monthly rate, expressed to the nearest one one-hundredth of one percent.

(i) Refunds - (1) General rule. Seller shall return to its jurisdictional customers the jurisdictional portion, as determined under Seller's FERC gas tariff, of all refunds or revenue credits, and of all interest computed on these amounts received from its suppliers for the pipeline's purchases of natural gas. Seller shall return these amounts to its jurisdictional customers by:

- (i) Establishing a separately identified refund subaccount of Account No. 191. During a deferral period Seller shall:
 - (A) Credit the subaccount with the jurisdictional portion of all refunds, revenue credits, and the related interest received;
 - (B) Debit the subaccount with the out-of-period billing adjustments; and,
 - (C) Debit if the subaccount balance is a debit balance or credit if the subaccount balance is a credit balance with the carrying charges computed under paragraph (h) of this Paragraph 19.5.

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Original Sheet No. 32M Original Sheet No. 32M : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

Section 19.5(i) Annual PGA Filing (Continued):

(ii) If the refund subaccount balance is a credit balance, disbursing to its jurisdictional customers in cash the total refund subaccount balance when the total refund subaccount balance equals or exceeds an amount which is the lesser of:

(A) \$2 million, or

(B) 1 cent per MMBtu, determined by dividing X by Y where:

X= The monthly ending refund balance, and

Y= The quantity of a pipelines most recent 12 months of actual jurisdictional sales.

(iii) The disbursement shall be made by Seller within 90 days of the end of the month in which it receives a refund, revenue credit, or billing adjustment which causes the refund subaccount balance to reach the level stated in Paragraph 19.5(i) (1) (ii) (A) or (1) (ii) (B).

GENERAL TERMS AND CONDITIONS
(Continued)

19.5(i) Annual PGA Filing (Continued):

(2) Disbursement calculation -

(i) Commodity disbursement. For those portions of a refund based on commodity rates, Seller shall determine each jurisdictional customer's share of the cash disbursement by taking the ratio of that customer's purchases from the pipeline for the 12 month period ending three months prior to the month in which the level in Paragraphs 19.5(i) (1)(ii)(A) or (1)(ii)(B) is attained, to Seller's jurisdictional sales for the same 12-month period and multiplying the ratio by the total amount to be disbursed.

(ii) Demand disbursement. The portions of a refund based on demand rates, unless otherwise ordered by the Commission, shall be disbursed on an as-billed basis. The distribution shall be based on the demand billing determinants of each customer established during the overcharge period. The refunds attributable to demand rates shall be distributed in cash at the time the level in Paragraphs 19.5(i) (1)(ii)(A) or (1)(ii)(B) is reached and at the end of the deferral period, if necessary.

(3) Debiting refund subaccount. For any amounts disbursed in cash, Seller shall debit the refund subaccount of Account No. 191. If there is a balance of refunds, revenue credits, and associated carrying charges remaining in the refund subaccount at the end of a deferral period, Seller shall either:

(i) If the balance is a credit balance, disburse the amounts in cash in the manner described in Paragraphs 19.5 (i)(2)(i) or (i)(2)(ii); or

GENERAL TERMS AND CONDITIONS
(Continued)

19.5(i) Annual PGA Filing (Continued):

(ii) If the balance is a debit balance or Seller elects not to make a cash disbursement under Paragraph 19.5 (i)(3)(i) of this section, transfer the amounts to the current deferral subaccount balance determined under Paragraphs 19.5(e) and (g).

(4) Refund report. When Seller files its annual PGA filing, it shall also file a report with the Commission showing all computations of the refunds, revenue credits, and associated carrying charges disbursed in cash during the applicable deferral period.

(j) Exchange transactions and transportation imbalances -

(1) General rule. Seller shall assign a cost to its exchange transactions and transportation imbalances by:

(i) Adjusting the purchased quantities for each month of a deferral period by adding the exchange-in quantities for the month and subtracting the exchange-out quantities for the month; and

(ii) Adjusting the purchased gas costs for each month of a deferral period by adding the costs assigned to the month's exchange-in quantities and subtracting the costs assigned to the month's exchange-out quantities.

(2) Assigning costs. For purposes of assigning costs to the monthly exchange-in or exchange-out quantities, Seller shall use the weighted average cost of gas (WACOG) for the monthly cost of gas purchased, as that term is defined in Paragraph 19.2(j) hereof, exclusive of gas costs described in Paragraph 19.2(j) (7) and (11).

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Original Sheet No. 32P Original Sheet No. 32P : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

19.5(j) Annual PGA Filing (Continued):

(3) Adjustment. Seller shall use the first exchange-out quantities or exchange-in quantities of the current month to offset any net exchange imbalance that occurred in a prior month. If the cumulative imbalance at the end of the month was a net exchange-in, Seller shall balance the net exchange-in with the first exchange-out quantities given. If the cumulative imbalance at the end of the month was a net exchange-out, Seller shall balance the net exchange-out with the first exchange-in quantities received. The rate for valuing the current month's balancing quantities will be equal to the WACOG of the prior month. If Seller is unable to offset the prior month's exchange imbalances with a current month's exchange quantities, it must carry the imbalance forward through the deferral period until balancing occurs. Until balancing is achieved, the rate for valuing each month's balancing quantities will be the WACOG of the month when the imbalance occurred. Seller shall assign the current month's WACOG to any quantities not used to offset a prior month's exchange imbalance.

GENERAL TERMS AND CONDITIONS
(Continued)

19.6 Assessment of past performance.

(a) General rule.

(1) Prior Commission approval is required before Seller may recover through a surcharge (surcharge recovery) its actual purchased gas costs (determined in Paragraph 19.6(d) below) that exceed its computed projected purchased gas costs (determined in Paragraph 19.6(e) below) for each test interval (described in Paragraph 19.6(b) below) by three percent.

(2) Seller determines the amount of gas costs which requires specific Commission approval for surcharge recovery under Paragraph 19.6(c) below.

(3) If the Commission denies Seller recovery of any under-recovered purchased gas costs as a result of this section, then the amounts denied recovery shall be credited to Account No. 191 and charged to Account No. 426.5, "Other Deductions" of the Uniform System of Accounts in 18 C.F.R Part 201.

(b) Test intervals. Seller shall divide the deferral period into four test intervals. The first test interval is the first four months of the deferral period. The second test interval is the three months following the first interval. The third interval is the three months following the second interval. The fourth interval is the remaining two months of the deferral period.

GENERAL TERMS AND CONDITIONS
(Continued)

19.6 Assessment of past performance (Continued):

(c) Gas costs requiring specific approval for surcharge recovery. The amount of gas cost which requires specific approval by the Commission for surcharge recovery is the difference obtained by subtracting Y from X, if greater than zero, where:

X= The actual cost of gas purchased in a test interval determined in paragraph (d) of this section; and
Y= The test amount determined by multiplying the computed projected gas costs, determined in Paragraph 19.6(e), by 1.03.

(d) Actual cost of gas purchased. The actual cost of gas purchased is the monthly amounts determined in Paragraph 19.5(g)(1) hereof for the gas purchased in the test interval:

(1) Less adjustments for exchange transactions and transportation imbalances;

(2) Including only the gas cost components that were used to compute the projected average cost of gas that is compared in a test interval; and

(3) Excluding any demand costs permitted to be passed through a pipeline's two-part rates on an as-billed basis under Paragraph 19.5(b)(2).

(e) Computed projected cost of gas. Seller shall calculate its computed projected gas costs by multiplying:

(1) The quantities of natural gas purchased and/or received during a PGA effective period within a test interval by

GENERAL TERMS AND CONDITIONS
(Continued)

19.6(e) Assessment of past performance (Continued):

(2) A projected average rate derived by dividing the project purchased cost of gas used to calculate a current adjustment for a PGA effective period by the related quantities of natural gas Seller projects to purchase during a PGA effective period.

19.7 Quarterly Purchased Gas Adjustment Filing.

(a) Filing requirements. West Texas Gas shall make its quarterly filing with the Commission and post under Section 154.1 at least 30 days before the proposed quarterly effective date, established under Paragraph 19.4(c). At the same time, West Texas Gas shall serve its jurisdictional customers and interested state commissions with a copy of the quarterly filing.

(b) Contents of the filing. West Texas Gas shall file:
(1) Tariff sheets that conform to both the format specified in Subpart B of Part 154 and the following format:

Notice of Purchased Gas Cost Adjustment Rate Change

Rate Sche- dule	Base Tariff rate ¹ / r	Current Adjust- ment	Cumulative Adjustment	Sur- charge Adjust- ment	GRI Adjust- ment	Other Adjust- ment	Total
-----------------------	--	----------------------------	--------------------------	-----------------------------------	------------------------	--------------------------	-------

Estimated average cost of gas in last scheduled PGA: \$X.XX
Current estimated average cost of gas in latest PGA (rate currently being charged): \$X.XX

1/ The base tariff rate is the effective rate on file with the Commission, excluding adjustments approved by the Commission.

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FERC Docket: RP96-377-000

Original Sheet No. 32T Original Sheet No. 32T : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

19.7(b) Quarterly PGA Filing (Continued):

(2) A report containing detailed computations which clearly show the derivation of the current adjustment to be applied to Seller's effective rates. The report shall fully support the filing and shall be in a format similar to that formerly set forth in FERC Form No.542-PGA (Revised).

(c) Current adjustment. West Texas Gas shall compute a current adjustment for the quarterly filing in the manner described in Paragraph 19.5(c). Seller shall not make an adjustment to the surcharge rate in effect until its next scheduled annual PGA filing.

(d) Challenges to quarterly filing. Objections to Seller's purchasing practices reflected in a quarterly PGA filing will not be considered by the Commission at the time of the quarterly filing and must be raised at the time of the pipeline's next scheduled annual PGA filing. Mathematical, typographical, or accounting errors that affect the correct computation of a current adjustment in a quarterly PGA filing may be challenged when West Texas Gas files the quarterly filing.

GENERAL TERMS AND CONDITIONS
(Continued)

19.8 Interim Adjustment Filings.

(a) General rule. West Texas Gas may elect a PGA clause under Paragraph 19.3 that allows it to file interim adjustments to its base tariff rate(s) in addition to annual and quarterly PGA filings under Paragraphs 19.5 and 19.7, subject to the conditions specified in this Paragraph 19.8.

(b) Interim adjustment rate change.

(1) West Texas Gas shall only file an interim rate adjustment based on a projected average cost of purchased gas that is less than the projected average cost of gas reflected in its last scheduled PGA filing. An interim adjustment rate change shall only reflect known and measurable changes to the cost of gas established in West Texas Gas' last scheduled PGA filing.

(2) Known and measurable changes to the cost of gas as used in this section are those changes in costs that a pipeline has a reasonable basis for assuming will actually occur.

(c) Filing and notice requirements.

(1) West Texas Gas shall file an interim adjustment with the Commission and post it as required by Subpart A of Part 154 at least 24 hours before the effective date of the proposed interim adjustment. At the same time West Texas Gas files with the Commission, it must serve its jurisdictional customers and interested state commissions with a copy of the filing.

GENERAL TERMS AND CONDITIONS
(Continued)

19.8(c) Interim Adjustment Filings (Continued):

(2) West Texas Gas shall file:

(i) Tariff sheets that conform to both the format specified in Subpart B of Part 154 and the following format:

Notice of Purchased Gas Cost Adjustment Rate Change

Rate Sche- dule	Base Tariff rate1/ /	Current Adjust- ment	Cumulative Adjustment	Sur- charge Adjust- ment	GRI Adjust- ment	Other Adjust- ment	Total
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Estimated average cost of gas in last scheduled PGA: \$X.XX
Current estimated average cost of gas in latest PGA (rate currently being charged): \$X.XX

1/ The base tariff rate is the effective rate on file with the Commission, excluding adjustments approved by the Commission.

(ii) A summary sheet showing the changes in purchased gas cost reflected in the interim adjustment. The summary sheet shall fully support the filing and shall be in a form similar to that formerly shown in Form No. 542-PGA (Revised). The summary sheet shall contain sufficient detail to clearly show the derivation of the interim adjustment to be applied to West Texas Gas' existing rates.

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FERC Docket: RP96-377-000

Original Sheet No. 32W Original Sheet No. 32W : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

19.8 Interim Adjustment Filings (Continued):

(d) Challenges to interim adjustment filing. Objections to West Texas Gas' purchasing practices reflected in an interim adjustment filing will not be considered by the Commission at the time of the interim adjustment filing and must be raised at the time of its next scheduled annual PGA filing. Mathematical, typographical, or accounting errors that affect the correct computation of a rate adjustment in an interim adjustment filing may be challenged when West Texas Gas files the interim adjustment.

Effective Date: 05/01/1998 Status: Effective
FERC Docket: RP98- 25-005

First Revised Sheet No. 33 First Revised Sheet No. 33 : Effective
Superseding: Original Sheet No. 33

FORM OF SERVICE AGREEMENT

THIS AGREEMENT made and entered into as of this _____
day of _____, 19____, by and between WEST TEXAS GAS, INC.
(Seller) and _____ (Buyer):

WITNESSETH: That the parties hereto in consideration of the
covenants and payments herein set forth, do mutually covenant and
agree as follows:

1. GAS TO BE SOLD AND DELIVERED

Seller agrees to sell and deliver, and Buyer agrees to
purchase, receive and pay for the following quantity of natural
gas:

2. POINTS OF DELIVERY, MAXIMUM DAILY DELIVERY OBLIGATIONS AND
DELIVERY PRESSURES

The points of delivery hereunder shall be the outlet side of
the meters of Seller at the following locations and Seller shall
not be required to deliver gas thereat in excess of the following
volumes, and at the specified delivery pressures or at such lesser
pressures as Buyer may elect. All volumes in excess of Seller's
Maximum Daily Obligation as stated below shall be treated as having
been delivered under Rate Schedule IS-1.

Delivery Point	Maximum Daily Obligation (dth)	Maximum Delivery Pressure (p.s.i.g.)	Assumed Atmospheric (p.s.i.a.)
_____	_____	_____	_____

Effective Date: 03/29/1992 Status: Effective
FERC Docket: RP92-135-000

Original Sheet No. 34 Original Sheet No. 34 : Effective

FORM OF SERVICE AGREEMENT
(Continued)

3. APPLICABLE RATE SCHEDULE

The natural gas delivered hereunder shall be paid for by Buyer under Seller's rate schedule _____ on file with the Federal Energy Regulatory Commission or any superseding rate schedule. This agreement in all respects shall be subject to the provisions of such rate schedule and to the applicable provisions of the General Terms and Conditions filed with the Federal Energy Regulatory Commission, all of which are by reference made a part hereof. Seller shall have the right to propose to the Federal Energy Regulatory Commission such changes in its rates and terms of service as it deems necessary and this agreement shall be deemed to include such changes or any changes which become effective by Commission order, without prejudice to Buyer's right to protest the same.

4. TERM

This agreement shall become effective _____ or on such later date as approved by the Federal Energy Regulatory Commission, and shall continue and remain in force and effect until _____.

5. CANCELLATION OF PRIOR CONTRACTS

Whenever this agreement becomes effective, it supersedes and cancels the following contracts between the parties hereto:

6. ASSIGNMENT

This agreement may be assigned by either of the parties to:

(a) any person, firm or corporation acquiring all, or substantially all, of the natural gas business of said party;

(b) a trustee or trustees, individual or corporate, as security for bonds or other obligations or securities;

but it may not be otherwise assigned without the consent of the other party hereto. Whenever any corporation is referred to

Effective Date: 03/29/1992 Status: Effective
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FORM OF SERVICE AGREEMENT
(Continued)

6. ASSIGNMENT (Continued)

herein, such reference shall be deemed to include the successors and assignees of such corporation.

7. SUCCESSORS AND ASSIGNEES

This agreement shall be binding upon and inure to the benefit of the successors and assignees of each of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly signed by their respective officers the day and year first above written.

WEST TEXAS GAS, INC.

By _____
President

ATTEST:

By _____

ATTEST:

By _____

Effective Date: 03/29/1992 Status: Effective
FERC Docket: RP92-135-000

Original Sheet No. 36 Original Sheet No. 36 : Effective

FORM OF SERVICE AGREEMENT
(Continued)

EXHIBIT "A" TO FORM OF SERVICE AGREEMENT

INTERRUPTIBLE CUSTOMERS SERVED BY BUYER'S SYSTEM
ACCEPTED BY SELLER FOR SERVICE UNDER SELLER'S
INTERRUPTIBLE RATE SCHEDULE IS-1

Effective Date: _____

Supersedes Exhibit A

Effective: _____

Name of Interruptible Customer	Total Daily Requirement Accepted by Seller
_____	_____

(Buyer)

West Texas Gas, Inc.

By: _____

By: _____

Date: _____

Date: _____

Effective Date: 03/29/1992 Status: Effective

FERC Docket: RP92-135-000

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INDEX OF PURCHASERS

NAME OF PURCHASER	RATE SCHEDULE	EFFECTIVE DATE TERM
Felt Water Development Co.	I-1	20 Years
Southern Union Gas Co.	GS-1, IS-1, I-1	20 Years

